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House of Representatives Standing Committee  
on Primary Industries and Resources  
PO Box 6021,  
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Canberra ACT 2600

## **SUBMISSION TO INQUIRY INTO EXPOSURE DRAFT LEGISLATION FOR GREENHOUSE GAS STORAGE**

Strike Oil Limited is an Australian ASX listed company exploring for hydrocarbons in Australia and USA. Its wholly owned subsidiary, Hybrid Energy Australia Pty Ltd, is currently evaluating the Kingston lignite deposit in southeast South Australia as a potential coal-to-liquids (CTL) project with integrated electricity generation, and will evaluate the onshore and offshore Otway basin for carbon storage. The life of such a project is likely to be 30-40 years.

With respect to the draft legislation, Strike Oil wishes to make the following points;

1. The release of areas for Assessment Permits should only be made after consultation with the industry to ensure those companies with genuine needs for sites are accommodated.
2. Assessment Permits need to be sufficiently large to contain several injection licenses. This is to ensure genuine users are not surrounded by speculators, as in many cases a single injection site will not be large enough to accommodate greenhouses gases from a CTL or power project that has a 30 year life. This will also minimize the amount of infrastructure required.
3. Ideally, a company will need to be able to have multiple Gas Storage Holding Leases valid at the same time so that Injection Licenses can be granted sequentially as the need arises. This will minimize the amount of infrastructure required.
4. The term of a Holding Lease should be able to be extended beyond 15 years where a company can demonstrate that it will sequentially use the lease for storage. It is very important for companies to have secure tenure for long life projects.

5. The “most deserving of grant” criteria used to address similar bids should weigh in favour of companies who already have or are most likely to have a source of greenhouse gas for storage.
6. The absence of timelines for decision making by the holders of petroleum tenements where conflicts arise should be addressed. Otherwise this could lead to indefinite delays in a project.
7. The right to appeal a Minister’s decision should be considered for inclusion.

On behalf of Strike Oil Limited

A handwritten signature in black ink, appearing to read 'Don Poynton', with a stylized flourish extending to the right.

Don Poynton  
Manager – Exploration and Environment.